THE CONNECTION

A QUARTERLY PUBLICATION FROM THE ACCOUNTING DIVISION OF WASHINGTON STATE'S OFFICE OF FINANCIAL MANAGEMENT

Inside:

If you have questions or comments on any information contained in *The Connection*, please contact Debbie Hoxit at (360) 664-7767 or email: debbie.hoxit@ofm.wa.gov

Service Expansion Requires SWFS Rate Changes

Over the past biennium, Statewide Financial Systems has dramatically increased the functionality and services offered for support of the accounting, budgeting, and reporting functions.

After significant rate decreases in 1997, we have relied on fund balances to provide this level of service expansion and on-going service. The following chart shows fund balances and revenue patterns based on an average level of usage.

Revenues and Fund Balance

☐ Annual Revenue
■ Beginning Fund Balance
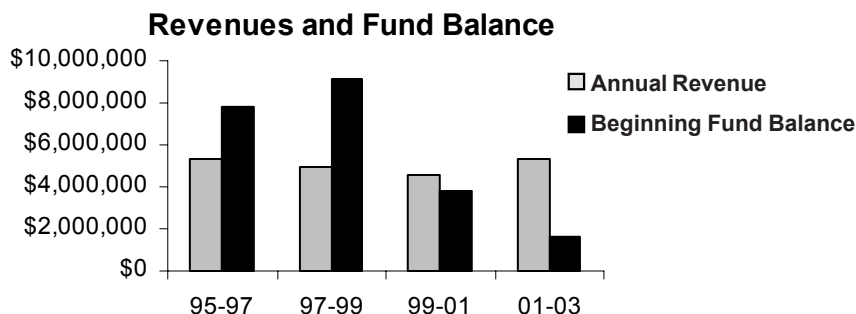
Some rate increases are now necessary for the '03 biennium to achieve a break-even operation. The biennial effect of these rate increases was estimated for each agency and that estimated amount has been included in each

Goodbye to BPS2

OFM is discontinuing support for the Budget Preparation System 2 (BPS2). The main purpose of BPS2 was budget development, which has been re-written into the BASS Budget Development System (BDS).

The single remaining function of BPS2 that has not been rebuilt is the re-cast of 10-year history for program structure change requests. This function is temporarily being handled through an exchange of spreadsheets between agencies requesting program restructure changes and the OFM Statewide Accounting section. BASS plans include developing an automated process for agencies to submit 10-year history requests targeted for completion in the spring of 2002.

BPS2 will not be available for agency use after June 30, 2001. We will be deleting all files from BPS2 after the end of fiscal year 2001. Your agency should see a reduction in your Statewide Systems bill to reflect this reduced file utilization charge. If you have any questions or concerns, please contact Art Overman at art.overman@ofm.wa.gov or (360) 664-7703.

Accounting Division

OFFICE OF FINANCIAL MANAGEMENT

Sadie Rodriguez-Hawkins
Assistant Director, OFM Accounting

Congratulations TUPS

On a value-added system!

The Ultimate Purchasing System (TUPS) is now making its 30-day pilot debut at General Administration (GA) and the Department of Corrections (DOC). Scheduling decisions for TUPS implementation will be made at the pilot's conclusion.

TUPS is a 100% web-based procurement system that provides sophisticated workflow approval processing, receiving functionality, payment management, and rich reporting capabilities that significantly reduce routine effort spent processing accounts payable.

For more TUPS information, please contact Cami Feek, GA Office of State Procurement, cfeek@ga.wa.gov or Susan Dodson, OFM Statewide Financial Systems, Susan.Dodson@ofm.wa.gov

You are also welcome to visit the GA TUPS web site at http://www.ga.wa.gov/pca/ups/upshome.htm

Comments from the Assistant Director

Sadie Rodriguez-Hawkins

"Things are just not like they used to be, everything is different now." How many times have we heard these words and voiced them ourselves? We often yearn for the simplicity of the past, forgetting that it, too, was burdened with degrees of complexity.

As evidenced in this issue of *The Connection,* things are truly not as they used to be. Things *are* different now.

In saying hello to better ways of doing business, we bid farewell to old ways. Current technology continues to provide us with a plethora of tools to expedite our tasks and more information than we ever dreamed possible. In addition, new policies require reflection in the way we do business (e.g. GASB 34).

Our days are full of change. We often find ourselves at crossroads requiring us to think and act differently. Our "world" is bursting with e-mail, e-learning, e-forms, and e-commerce.

It seems the tools change faster than we can adapt, and the flood of information makes decision-making problematic. We no longer have the luxury of *taking our time* to make crucial decisions. We struggle against the expectation that we must keep pace with technology.

Deep down some of us long for the days that promised a "lull" in the work cycle — a lull that provided us with time to analyze particular issues or gain an in-depth understanding of the policies being incorporated into our workplace.

For those of us deeply rooted in the past, the current rate of change is often painful — we would prefer constancy,

if only for a little while. However, everything points to the fact that we must continue moving towards change; if not, we will most certainly drift towards obsolescence.

Even though these are very unsettled times, obsolescence simply cannot be our choice or preference.

Instead, we must reflect on change-management that would support convergence. This can provide us with the ability to incorporate what is familiar from the past with what is possible **today**.

A few ways to address change-management could include:

➢ Learning from our peers; we don't need to reinvent the wheel;

➢ Focusing our energies on "high value" opportunities;

➢ Developing a compelling business case for change;

➢ Implementing change in an incremental fashion.

These are simply ideas for ways in which we can take control of our own sphere of influence — ways in which we harness the best of "what is" today that will carry us into an "unknown" tomorrow that will be fraught with even more change.

Indeed, *"Things are just not like they used to be, everything is different now."* **Isn't that wonderful?**

> *"There has never been an age that did not applaud the past and lament the present."*
>
> -Lillian Eichler Watson, *Light from Many Lamps*

SWFS Rate Changes
(continued from page 1)

agency's maintenance level budget.   The following table identifies services and their corresponding rate changes:

RATE CHANGES EFFECTIVE JULY 1, 2001
AFRS
■ Transaction rates will increase from $0.09 to $0.10 per transaction;
■ File usage will increase from $0.035 to $0.045 per record;
■ Regular Warrants will increase from $0.23 to $0.46 per warrant;
■ No change for Inserted warrants ($0.55 postage included) or EFT's (FREE). These optional payment methods offer real potential for agency savings.
■ On-demand reporting from 0.128 per page to 0.256 per page.
BASS
■ Small agencies flat rate increase from $12.50 to $31.25 per month;
■ Medium agencies flat rate increases from $155 to $387.50 per month;
■ Large agencies flat rate increases from $420 to $1050 per month.

If you have any questions regarding the new rates for the 2001-03 biennium please contact Bruce Gorsky at **bruce.gorsky@ofm.wa.gov**

Who's New?

in Accounting

Coral Prescott joined the Small Agency Client Services (SACS) as an accountant on March 20, 2001. She came to OFM from the Department of Corrections, where she was employed as an accountant in the Tacoma office.

Coral and her family live in the Tumwater area and she appreciates her 5-minute commute to work each day. When not at work, she enjoys gardening, camping, walks with her dog and traveling. Coral can be reached at **Coral.Prescott@ofm.wa.gov** or **(360) 664-7665.**

Kimberly Holtz joined Statewide Accounting as a State Financial Consultant with the Payroll Consulting Office on June 1, 2001. She transferred from the Department of Corrections, where she has most recently been the Local Business Advisor at Cedar Creek Corrections Center.

Kimberly brings her extensive experience with payroll operations, the Human Resources Information Systems Division payroll system, and the state's governmental accounting procedures and systems to OFM.

Kimberly is married and has a 17-year-old son and 15-year-old daughter. She enjoys spending time with her family, gardening, and traveling. Kimberly can be reached at **Kimberly.Holtz@ofm.wa.gov** or **(360) 664-7777.**

SWFS has dramatically increased functionality and services that support accounting and budgeting functions.

AFRS improvements:
- Expansion of the Statewide Vendor file (approaching 8,000 vendors);
- Seamless integration of the payment process with the purchasing process to accommodate GA's new purchasing system (TUPS);
- Automated Warrant Cancellation;
- Re-engineered input screens by adding the browse function;
- Real time batch interface capability;
- Creation of the Interagency Payment (IAP) process;
- Addition of the 'AI Wild Card' to reduce payroll errors for single year appropriations;
- E-mail remittance advices for EFT vendors.

The BASS product suite also features vastly increased functionality:
- Created and delivered the Budget Development System (BDS) Replaces BPS2;
- Created and delivered the Capital Budget System (CBS);
- Created and delivered the Fiscal Notes System (FNS).

In June 2000 we implemented a new web based Travel Voucher System (TVS) to improve the travel reimbursement work flow process.

Finally, we have provided five new product releases of the Enterprise Reporting System (Fastrack) adding new reports and features and adding all agencies data to the data warehouse.

New AR System Feature

In conjunction with the AFRS Inter-Agency Payables (IAP) project, the Accounts Receivable team is pleased to announce a new feature that allows limited electronic import of receipt transactions into the OFM Accounts Receivable (AR) System.

OFM AR customers that choose to participate in the AFRS IAP process will have their receipt transactions electronically imported into the AR system. These transactions will be automatically processed into each paying agency's account in the system. This new feature will save time and effort by eliminating re-keying of receipt transactions into the system.

This initial import feature is limited to payments made through the AFRS IAP process. However, we plan to expand this functionality in the future to allow import of receipt transactions from other sources. For more information please contact Trinh Bui at trinh.bui@ofm.wa.gov or (360) 664-7684.

WSU Moves Forward on the
Finance Academy

Washington State University (WSU) conducted a series of interviews with agency fiscal staff. In the interviews, staff identified the skills most critical to agency fiscal professionals and how agencies are coping with the lack of qualified financial employees. This information will help WSU create a design for the academy. WSU will incorporate collected data into a final report and proposed program design for the steering committee. Next step: Work with agencies to design skill standards for the curriculum.

For more information on the Finance Academy, please contact Kathy Rosmond at kathy.rosmond@ofm.wa.gov or (360) 664-7771.

Pay *Faster!*

The new, electronic Inter-Agency Payment (IAP) makes people's jobs easier, faster and more accurate. Agencies using IAP no longer need to make copies of the paper journal vouchers (JVs) or route JVs to the Office of State Treasurer and receiving agency.

Receiving agencies also benefit from IAP. Aside from the funds being available to them the next day, they get timely notification of the payment via email. Below is the list of state agencies that now accept IAP payments.

SWV Number	Vendor Name	Billing Agency	Billing Fund
SWV0003660-00	GA-CENTRAL STORES	1500	422
SWV0003660-01	GA-PARKING	1500	045
SWV0003660-02	GA-MOTOR TRANSPORT DIVISION	1500	422
SWV0003660-03	GA-RISK MGMT SELF INS CLAIMS	1500	547
SWV0003660-04	GA-DIV OF CAPITAL FACILITIES	1500	422
SWV0003660-05	GA-CONSOLIDATED MAIL SERVICE	1500	422
SWV0003660-06	GA-ADMINISTRATIVE SERVICES DIV	1500	422
SWV0003660-07	GA-STATE SURPLUS	1500	422
SWV0003660-08	GA-FEDERAL SURPLUS	1500	422
SWV0003660-09	GA-PURCHASING CONTRACT ADMIN	1500	422
SWV0003660-10	GA-CAPITOL PROJECTS SURCHARGE	1500	289
SWV0003660-11	GA-FACILITIES & SERVICES	1500	422
SWV0003660-12	GA-DIV OF REAL ESTATE SERVICES	1500	422
SWV0003660-13	GA-DIV OF PROPERTY MANAGEMENT	1500	422
SWV0003660-14	GA-RISK MANAGEMENT DIVISION	1500	422
SWV0003660-15	GA-EAS FACILITY ENGG SERVICES	1500	422
SWV0003660-16	GA-EAS ENERGY EFFICIENCY SERVS	1500	452
SWV0003660-17	GA-EAS PROJECT MANAGEMENT	1500	057
SWV0003660-18	GA-EAS STATE ENERGY PROGRAM	1500	001
SWV0003872-00	DOC-CORRECTIONAL INDUSTRIES	310B	401
SWV0003872-01	DOC-GENERAL ACCOUNT	310A	001
SWV0005899-00	OFM-STATEWIDE FINANCIAL SYSTEMS	1050	419
SWV0005899-01	OFM-SMALL AGY CLIENT SERVICES	1050	001
SWV0005899-02	OFM-GOVERNOR'S OFFICE ACCTG UNIT	1050	001
SWV0006743-00	DIS-COMPUTER & TELECOM SERVICES	1550	419
SWV0006743-01	DIS-EDUCATIONAL TECHNOLOGY ACCT	1550	421
SWV0006744-00	SAO-AUDITING SERVICES ACCOUNT	0950	483
SWV0006744-01	SAO-MUNICIPAL AUDITING SERVS ACCT	0950	413
SWV0006745-00	SEC-ARCHIVES SERVICES	0850	006
SWV0006745-01	SEC-MICROFILM SERVICES	0850	006
SWV0006745-02	SEC-TAX WARRANT SURCHARGE	0850	006
SWV0006745-03	SEC-REGIONAL FEE	0850	006
SWV0006745-04	SEC-BLC REVENUE TRANSFER	0850	001
SWV0006745-05	SEC-APOSTILLES SERVICES (001)	0850	001
SWV0006745-06	SEC-APOSTILLES SERVICES (407)	0850	407

SWV Number	Vendor Name	Billing Agency	Billing Fund
SWV0006746-00	DOP-HRISD	1110	419
SWV0006746-01	DOP-HIGHER EDUCATION PERSONNEL	1110	455
SWV0006746-02	DOP-STATE PERSONNEL SERVICES	1110	415
SWV0006746-03	DOP-TRAINING	1110	415
SWV0006747-00	OMWBE-ENTERPRISE ACCOUNT	1470	453
SWV0006748-00	OAH-ADMINISTRATIVE HEARING SERVS	1100	484
SWV0006858-00	ATG-LEGAL SERVICES	1000	405
SWV0006858-01	ATG-OTHER SERVICES PAYMENT (001)	1000	001
SWV0006858-02	ATG-OTHER SERVICES PAYMENT (405)	1000	405
SWV0007068-00	PERSONNEL APPEALS BOARD	1220	415
SWV0007069-00	WORKFORCE TRNG & EDU COORD BD	3540	001
SWV0007070-00	COMM ON ASIAN AMERICAN AFFAIRS	0870	001
SWV0007071-00	GOVERNOR'S OFFICE OF INDIAN AFFAIRS	0860	001
SWV0007072-00	COMM ON AFRICAN AMERICAN AFFAIRS	1190	001
SWV0007073-00	COMMISSION ON HISPANIC AFFAIRS	1180	001
SWV0007074-00	JUDICIAL CONDUCT COMMISSION	0500	001
SWV0007075-00	PUBLIC DISCLOSURE COMMISSION	0820	001
SWV0007076-00	HUMAN RIGHTS COMMISSION	1200	001
SWV0007077-00	TAX APPEALS BOARD	1420	001
SWV0007078-00	INDETERMINATE SENTENCE REVIEW BD	2500	001
SWV0007079-00	PUBLIC EMPLOYMENT RELATIONS COMM	2750	001
SWV0007098-00	JLS-LEGISLATIVE SERVICE CENTER	0380	560
SWV0007117-00	LIQUOR CONTROL BOARD	1950	501

To become an agency statewide vendor, simply complete an Agency Vendor Registration form (see www.ofm.wa.gov/statewide.htm), attach a W-9 and send to the Office of Financial Management, Vendor Registration, PO Box 43123, Olympia, WA 98504-3123.

Sign Up For SWFS Listserv NOW!

Get Statewide Financial Systems (SWFS) announcements and messages in a timely manner. Sign up for our SWFS Listserv email list. This listserv is our primary means of communication to all statewide financial systems users. You can easily subscribe to the list by visiting http://listserv.wa.gov/archives/swfs.html **and click on the "Join or Leave List" link.**

For more information contact Marilei Amurao-Tabile at marilei@ofm.wa.gov or (360) 664-7761.

Coming Soon!

IAP Part 2

As we work with our customers, we continue to enhance the Inter-Agency Payment process.

The following enhancements are underway:

- **Accounts Receivable Interface:** Creates an interface file for agencies that have their own Accounts Receivable (AR) systems.

  This will assist the billing agencies in completing its accounting cycle by automatically receiving the payments.

  OFM and the Department of General Administration (both agencies currently have AR systems) will be the primary partners in the creation of this feature.

- **Intra-Agency/Inter-Fund Transfers:** Allows an agency to pay one of its own divisions using the IAP process.

  This automates the transfer of funds between accounts within the agency.

- **More Capabilities on the MI.B Screen:** Increases search/sort capabilities on the MI.B screen, including Paying Agency, Amount, Invoice Number and Current Document numbers.

- **Reversal Capability:** Provides the receiving agency with the ability to reject or return a payment instead of requiring the paying agency to debit an agency's account (may be caused by over payment or errors).

For more information about Inter-Agency Payments, contact Marilei Amurao-Tabile at marilei@ofm.wa.gov or (360) 664-7761.

SAAM Changes

We recently issued a major revision to the state of Washington's *State Administrative and Accounting Manual* (SAAM) with an effective date of July 1, 2001.

This revision implements the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, updates the state's chart of accounts for legislative action through the 2001 Legislative Regular Session, and makes miscellaneous OFM administrative changes.

Major changes are as follows:

Chapter 10: Travel
Subsection 10.90.10 (http://www.ofm.wa.gov/policy/10.90.10) We modified the link for Non Continental USA and Foreign Per Diem Rates to be consistent with the revised Internet address of the U.S. Secretary of State.

Chapter 20: Internal Control and Auditing
Subsection 20.30.10 (http://ofm.wa.gov/policy/20.30.10) We added language related to the requirement for agencies to involve the State Auditor's Office and the Attorney General's Office in loss settlements as required by RCW 43.09.330.

Chapter 30: Capital Assets
We renamed and revised all sections of Chapter 30 Capital Assets (http://ofm.wa.gov/policy/30), formerly known as "Fixed Assets." All state infrastructure assets are now required to be capitalized.

The state highway system and emergency airfields operated by the Department of Transportation are to be capitalized and reported using the modified approach. All other infrastructure assets with a cost of $100,000 or more are required to be capitalized and depreciated.

General capital assets are still required to be tracked, depreciated, and reported using Account 997 which has been renamed "General Capital Assets Subsidiary Account." Buildings may now be capitalized and depreciated as a single unit or by component. The composite method of depreciation is allowed as an option for calculating depreciation for a group of assets such as library resources.

Certain capital asset commodity codes have been revised and several new codes have been added affecting the areas of transportation infrastructure (modified approach); other infrastructure (depreciable); art collections, library reserve collections, and museum and historical collections (both inexhaustible and exhaustible); library resources; buildings; and improvements other than buildings.

Chapter 50: Federal Compliance
Subsection 50.40.30 (http://ofm.wa.gov/policy/50.40.30) We updated the threshold for programs subject to the regulations of the Cash Management Improvement Act to $21 million.

Chapter 75: Uniform Chart of Accounts
The chart of accounts was modified to reflect the provisions of Statement 34 as well as the 2001 Regular Legislative Session. For details, please refer to the Directive 01A-02 that accompanied the update at http://ofm.wa.gov/policy/75.htm

Chapter 80: Accounting Policies
Sections 80.20 and 80.30 (http://ofm.wa.gov/policy/80) We updated and revised these sections to reflect provisions of GASB Statement 34 with respect to fund structure; measurement focus and basis of accounting; financial reporting requirements; and accounting for capital assets, long-term obligations, equity and interfund/interagency activities.

Chapter 85: Accounting Procedures
We updated many sections within Chapter 85 (http://ofm.wa.gov/policy/85) to reflect provisions of GASB Statement 34. We modified the accounting procedures related to capital assets to reflect changes in Chapter 30 as noted previously.

We renamed Account 999 the "General Long-Term Obligations Subsidiary Account" and added the requirement to separately record the portion of the obligation due within one year from the portion due beyond one year. The terminology related to equity and interfund/interagency activities was also modified, but with the exception of capital contributions and equity transfers, the accounting procedures remain consistent.

We also streamlined the process for requesting increases or decreases to petty cash funds in treasury accounts (http://ofm.wa.gov/policy/85.50.60) and revised the illustrative entries for accounting for Certificate of Participation obligations (http://ofm.wa.gov/policy/85.85.45) and (http://ofm.wa.gov/policy/85.85.50).

Questions regarding this SAAM update should be directed to the OFM Accounting Consultant assigned to your agency.

AFRS/DRS Tech Notes

AFRS AGENCY FLAG EXPANSION

The AFRS Agency Flag coding option found on the Vendor Edit screen VE.2, Input screen IN.1.4, and the Disbursement Reporting Update DRS Detail screen DM.1 has undergone some changes to enhance the long term usefulness of the flags.

1. Descriptor Table 94 has been created to provide a means to register Agency Flags and Agency Flag Titles. The Agency Flag is composed of two alpha and/or numeric characters. Special characters are not valid.

2. The Agency Flag field on the following screens will be enlarged (by the end of June 2001) from one to two spaces: Agency Vendor screen VE.2, Vendor Accounting Transaction Input screen IN.1.4, and Update DRS Detail screen DM.1.

3. Online edits will be installed (by the end of June 2001) on the applicable Agency Financial Reporting System (AFRS) and Disbursement Reporting System (DRS) screens to require registration of Agency Flags in Descriptor Table 94.

The Agency Flag coding option is provided to allow agencies to flag transactions with an agency-defined, two-character code to add further definition to a financial transaction that cannot be accommodated by other AFRS coding options. Descriptor Table 94 registration of Agency Flags provides formal definition of the flags to allow the definitions to survive personnel changes and memory lapses.

The only current reporting option is the DRS275 report. The DRS275 report is available to AFRS and DRS users if they possess AFRS security flag '1' for DISB. The DRS 275 report can be selected to report from AFRS History or Disbursement History. Reporting from AFRS History is available for the following fiscal months: current month, prior month, prior-prior month, and months 99 or 25 (if available).

Reporting from Disbursement History is available for all months of data retained by a requesting agency. Other reporting options are available to ADDS agencies. Since more reporting options may need to be developed, please discuss your reporting needs with the OFM Statewide Systems AFRS/DRS group or the FASTRACK group.

If you have any questions, please contact Phil Taylor at phil.taylor@ofm.wa.gov or (360) 664-7712.

DRS275 ONLINE REPORTING FROM AFRS OR DRS

The DRS275 report allows disbursement reporting from AFRS History or Disbursement History. This reporting option is available to AFRS and DRS users who possess AFRS security flag '1' for DISB. Reporting from AFRS History is available for the following months: current, prior, prior-prior and 99 or 25 (if available). Reporting from Disbursement History is available for all months of data retained by a requesting agency. This reporting feature was designed to allow any agency to order reports of their disbursement transactions from AFRS History or Disbursement History (if the requesting agency subscribes to the Disbursement Reporting System). The report offers a higher degree of sorting and selection flexibility than other AFRS or DRS reports. Online help is available on the DRS275 reporting screen if the F1 key is pressed when your cursor is on a specific field.

Some of the unique selection features offered are:

- The report can be limited to a specific Agency Flag.
- The report can be limited to Totals Only if the selected sort is Vendor Name or Vendor Number.
- The report can be limited to disbursement transactions that contain the Use Tax code 'T'.
- The report can include the vendor address if the selected sort is Vendor Name or Vendor Number.
- The report can be limited to primary sort totals that are greater than a specified dollar amount.
- Reports from disbursement history can be selected to include or exclude fiscal months 99 or 25 within the selected fiscal month date range.
- This is the only online AFRS report that will report prior-prior-month transactions.
- Sort selections can include up to four sort levels and can be combined with specified data limiter values.

Navigation to the DRS275 screen is:

1. AFRS Primary Menu screen - Select Function 'DR'.
2. Disbursement System Primary Menu screen (DR) - Select Function 'DM'.
3. Disbursement Menu screen (DM) - Select Function '5'.
4. Disbursement Reporting screen (DM.5) - select report '275'.

DRS275 user instructions can be found at http://swfs.ofm.wa.gov (choose Documents). If you have any questions, please contact Phil Taylor at phil.taylor@ofm.wa.gov or (360) 664-7712.